

Introduced by Senator Florez

February 22, 2005

An act to add Sections 205.6 and 205.7 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1005, as introduced, Florez. Property tax exemption: spouses of deceased veterans and qualified public safety officers.

The California Constitution authorizes the exemption from property taxation of the principal residence of a disabled veteran, or a veteran's spouse, in the case in which a person has, as a result of a service-connected disease or injury, become disabled or died while on active duty in military service. Existing property tax law specifies an exemption amount of \$100,000, but increases that amount to \$150,000, if the exemption claimant's income does not exceed \$40,000 as adjusted by a specified inflation factor.

This bill would, beginning with the lien date for the 2006-07 fiscal year, fully exempt from property taxation the principal residence of the unmarried surviving spouse of a person that died as a result of a service-connected disease or injury, as specified. This bill would also, beginning with the lien date for the 2006-07 fiscal year, fully exempt from property taxation the principal residence of the unmarried surviving spouse of a qualified public safety officer that died in the line of duty, as specified.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 205.6 is added to the Revenue and
2 Taxation Code, to read:
3 205.6. (a) Notwithstanding any other provision of law,
4 beginning with the lien date for the 2006-07 fiscal year, property
5 that is owned by, and that constitutes the principal place of
6 residence of, the unmarried surviving spouse of a person that
7 died while on active duty in military service as a result of a
8 service-connected injury or disease is exempt from taxation.
9 (b) For purposes of this section, all of the following apply:
10 (1) Property that will not be occupied by the unmarried
11 surviving spouse for at least six months during the assessment
12 year does not qualify for the exemption authorized by this
13 section.
14 (2) For any assessment year, "principal place of residence"
15 includes only one of the following:
16 (A) Property that was the principal place of residence of the
17 unmarried surviving spouse on the date that the person died.
18 (B) Property that was under construction or was under a
19 contract for purchase that was in escrow on the date that the
20 person died, and to which both of the following apply:
21 (i) The unmarried surviving spouse and the deceased person
22 cosigned the loan used to finance the purchase or the
23 construction.
24 (ii) Upon the close of escrow or upon the completion of
25 construction, the property was intended to be the principal place
26 of residence of the person and his or her spouse.
27 (3) The United States Department of Veterans Affairs shall
28 determine whether an injury or disease is service connected.

(4) “Active duty in military service” includes service on foreign soil in the National Guard or United States Military Reserve.

SEC. 2. Section 205.7 is added to the Revenue and Taxation Code, to read:

205.7. (a) Notwithstanding any other provision of law, beginning with the lien date for the 2006-07 fiscal year, property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a qualified public safety officer that died in the line of duty is exempt from taxation.

(b) For purposes of this section, all of the following apply:

(1) Property that will not be occupied by the unmarried surviving spouse for at least six months during the assessment year does not qualify for the exemption authorized by this section.

(2) For any assessment year, “principal place of residence” includes only one of the following:

(A) Property that was the principal place of residence of the unmarried surviving spouse on the date that the qualified public safety officer died.

(B) Property that was under construction or was under a contract for purchase that was in escrow on the date that the qualified public safety officer died, and to which both of the following apply:

(i) The unmarried surviving spouse and the qualified public safety officer cosigned the loan used to finance the purchase or the construction.

(ii) Upon the close of escrow or upon the completion of construction, the property was intended to be the principal place of residence of the qualified public safety officer and his or her spouse.

(3) “Qualified public safety officer” means a sworn peace officer, including a federal law enforcement officer or firefighter, that was employed in the state when he or she died in the line of duty.

(4) “Died in the line of duty” means the qualified public safety officer died while performing his or her duties as a sworn peace officer.

1 SEC. 3. Notwithstanding Section 2229 of the Revenue and
2 Taxation Code, no appropriation is made by this act and the state
3 shall not reimburse any local agency for any property tax
4 revenues lost by it pursuant to this act.

5 SEC. 4. This act provides for a tax levy within the meaning of
6 Article IV of the Constitution and shall go into immediate effect.